

**MINUTES OF MEETING
ISLAND LAKE ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of Island Lake Estates Community Development District was held on Tuesday, July 12, 2022, at 9:30am (started at approx. 9:45 A.M.) at the Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954.

Present and constituting a quorum:

Scott Edwards	Chair
Russell Smith	Vice Chair
David Truxton	Assistant Secretary
Terry Kirshner	Assistant Secretary
Andrew Nelson	Assistant Secretary

Also present were:

James P. Ward	District Manager
Katie Ibarra	District Attorney
Ashley Ligas	District Attorney
Steve Sanford	Bond Counsel
Andrew Gill	

Audience:

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 9:45 a.m. He stated all Members of the Board were present at roll call, constituting a quorum.

SECOND ORDER OF BUSINESS

Notice of Advertisement

Notice of advertisement of meeting

THIRD ORDER OF BUSINESS

Consideration of Minutes

June 14, 2022 - Regular Meeting Minutes

Mr. Ward asked if there were any additions, corrections, or deletions to the Minutes. Hearing none, he called for a motion.

On MOTION made by Mr. Scott Edwards, seconded by Mr. Drew Nelson, and with all in favor, the June 14, 2022 Regular Meeting Minutes were approved.

FOURTH ORDER OF BUSINESS**Consideration of Resolution 2022-19**

Consideration of Resolution 2022-19, a resolution of the Board of Supervisors of Island Lake Estates Community Development District Authorizing the issuance of not to exceed \$20,000,000 aggregate principal amount of Island Lake Estates Community Development District Special Assessment Bonds, in one or more Series, to pay all or a portion of the design, acquisition, construction costs of certain Public Infrastructure Improvements, including, but not limited to, Stormwater Management and Control Facilities, including, but not limited to, related earthwork; Public Roadway Improvements and any applicable impact fees; landscaping and irrigation in public rights-of-way, signage; Water and Wastewater Facilities and any applicable connection fees; undergrounding differential cost of Electric Utilities; reclaimed Water Facilities; and all related soft and incidental costs (collectively, the "Project"), Pursuant to Chapter 190, Florida Statutes, as amended; appointing U.S. Bank Trust Company National Association to serve as Trustee; approving the execution and delivery of a Master Trust Indenture and a Supplemental Trust Indenture in substantially the forms attached hereto; providing that such Bonds shall not constitute a debt, liability or obligation of Island Lake Estates Community Development District (except as otherwise provided herein), Charlotte County, Florida, or of the State Of Florida or of any other political subdivision thereof, but shall be payable solely from Special Assessments assessed and levied on the property within the District benefited by the project and subject to Assessment; providing for the Judicial validation of such Bonds; and providing for other related matters

Mr. Ward: As a bit of background, Community Development Districts are required to validate in the Circuit Court. Obviously here in Charlotte County our authority to be able to issue bonds for a CDD, we do what is called a validation resolution that authorizes Mr. Sanford and your District Attorney to take the appropriate steps necessary to validate those bonds and generally validate portions of the Trust Indenture at this point. He introduced Mr. Steve Sanford.

Mr. Steve Sanford: This Resolution is what I call the authorizing, validation resolution. Any bonds that have a maturity of more than five years issued by a Community Development District has to be validated in the Circuit Court. In order to get into Circuit Court, we have to authorize the bonds and that is what this resolution is doing. It is authorizing up to \$20 million in special assessment bonds to be issued in one or more series and to finance all or a portion of the public infrastructure that's described in this Resolution, but in particular described in the Engineer's Report. It asks the Board to approve two forms of documents which will become part of this resolution and part of the validation process. That is the Master Trust Indenture between the District and U.S. Bank, the trust company as your designated trustee, and that Master Trust Indenture would govern all series of bonds to be issued by the District. It provides the rights and remedies, security for the bond holders and events of default, everything relevant to any particular bond issue. The other exhibit is the series Supplemental Trust Indenture which will be tailored to each series of bonds that the District issues. That's also between the District and the Trustee and once bonds are sold, that particular supplement will have all of the interest rates, the redemption provisions and the sources and uses specific to the one bone issue. Lastly, this Resolution specifically authorizes the validation of the bonds. He asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. Scott Edwards, seconded by Mr. Drew Nelson, Resolution 2022-19 was adopted, and the Chair was authorized to sign.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2022-20

Consideration of Resolution 2022-20, a resolution of the Board of Supervisors declaring special assessments, designating the nature and location of the proposed improvements, declaring the total estimated cost of the improvements the portion to be paid by assessments, and the manner and timing in which the assessments are to be paid, designating the lands upon which the assessments shall be levied, providing for an assessment plat and a preliminary assessment roll, addressing the setting of a public hearing and providing for publication

Mr. Ward: This Resolution is a declaring resolution to start the process for you to be able to issue your special assessment bonds for this entire project. As a part of the Resolution, it identifies the estimated cost of the project which is \$10,960,000 dollars. It defrays assessments in the amount of \$13,220,000 dollars. That would be the maximum amount of bonds that we would be able to issue under this declaring resolution and it defrays annual assessments that are estimated to be approximately \$1,028,000 dollars per year assuming you issue the full \$10 million dollars in capital and \$13.2 million dollars in bonds. It also goes through and apportions those assessments across all properties in accordance with the special assessment methodology identified as an exhibit to your resolution and it sets your public hearing for Tuesday September 13, 2022 at 9:30 a.m. here at the Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954. It also will set in place a procedure where we send out mailed notice to the property owner and I understand that pursuant to the assessment role there is only one property owner for all of this property, so they will be mailed the individual notices which will include the Engineer’s Report and the methodology. Pursuant to the Engineer’s Report, the Capital Improvement Program includes \$10,960,000 dollars in infrastructure which includes stormwater, roads, utilities, hardscape, landscape, irrigation, and professional fees that will overlay all 400 units that include both attached villas and two types of single family lots within the project. This sets forth basically the master infrastructure program. As we get through this process and get into a position of actually issuing bonds, the engineers will finalize these numbers in terms of both costs and whether any of the types of the infrastructure may change a little bit as we go through this process and as long as it’s authorized infrastructure pursuant to Chapter 190, then we will be in a position to do that. Pursuant to the methodology which I have prepared for you and enclosed within your agenda packet, the methodology simply takes those total costs, goes through a process, and defines the benefits that will accrue to each type of property associated with the capital infrastructure costs. Generally speaking, it is a front foot based calculation, so the smaller the lot, the smaller the assessment on it. It goes through and assigns those costs to those various particular lots, comes up with the par debt amount, which I indicated earlier was \$13,220,000 dollars and estimates what the bond financing costs will be assuming we issue the full \$10,960,000 dollars in construction costs. He asked if there were any questions; hearing none, he called for a motion.

Mr. David Truxton: One other note on the Engineer’s Report. I believe there is a public roadway. The access road from Placida Road to the entrance of the project. I think that may be constructed by the CDD. That is supposed to be turned over to the County and it is before the gates of Coco Bay. From a debt sizing standpoint, I think when the District formation, I think we are assuming a \$12,700,000 dollar

amount of what the CDD cost was at that time, so it's actually come down. I would probably want to, before we adopt this, send this back to the engineer to make sure he's got updated pricing, and unit pricing, if we are setting the max on the amount that we think the cost is.

Mr. Ward: If you want to send it back to the Engineer, we have to defer the item to another Board Meeting. You can adopt the resolution to set your public hearing today and you can make changes during the public hearing time, but all this really does is set in place a maximum par debt and a maximum par assessment. What was represented in the petition is just a representation. You can go over that or go under that as you deem appropriate. It doesn't really finalize it at all. It just sets the maximums at this point. Once we get further in the process, you will make a determination based upon a supplemental Engineer's Report what the estimated cost of construction will be, and then you will more closely size your bonds at that point. For example, in the methodology, we are using a 6% interest rate. The current market is at 5.75%. We might have less of a reserve account, or a smaller capitalized interest account, but for purposes of this sizing, we all generally use the outside realm of what you may get to.

Mr. Truxton: I think the outside of which is closer to \$14 million dollars after unit pricing has been adjusted. If we are signing the debt today –

Mr. _____ 12:21: It's all dependent upon the amount we are going to borrow too.

Mr. Truxton: Yes. The maximum cap is more in the estimate of \$14 million dollars based upon today's unit price for our cost of construction of District infrastructure that is likely to be sold to the District.

Mr. Ward: If you want to do that there are two problems. One is we've got to go back and redo the authorizing resolution for validation because it's not enough and this then has to get deferred to the next meeting, which is fine with me, because we can't do estimates on the record.

Mr. Truxton: I got it. Can the Engineer provide a supplemental report if –

Mr. Ward: But you can't go over these numbers. These are maximums.

Mr. Truxton: I foresee this being a mistake if we adopt it today, but that's just my opinion. It was underwritten with the assumption from the original engineer's assessment of \$12.7 million dollars. Since then, costs have inflated, and this Engineer's Report is saying a guaranteed max of what the issuance of the bond debt would be and it's definitely not enough.

Mr. Ward: You guys tell me. If you have time, it's no big deal to defer this for a month. I'm fine with doing that.

Mr. Truxton: I think that's best.

Mr. Ward: Okay, I'm just going to put my comments in the record from this meeting to the next meeting. So, we will defer this one until the next meeting.

Mr. Truxton: The direction to the Engineer which will be given by one of these Board Members would be to make sure they area evaluating current unit prices.

Mr. _____ 14:36: (Indecipherable). At some point you'll have to make the Engineer's Report somehow guide what you are going to borrow.

Mr. Ward: Correct.

Mr. Truxton: I'm just not prepared to make that decision here on a motion at this minute.

Mr. Ward: Are you all comfortable with deferring this? Okay, so we will defer Resolution 2022-20. What I'd like to do is go back and reconsider Resolution 2022-19 because we don't have enough capacity in here. If we are going to up this phase, we need to up the validation resolution to another number at this point. I probably would go up to \$25 million or \$27 million, something like that. If you don't mind, let's take a motion to reconsider 2022-19.

On MOTION made by Mr. David Truxton, seconded by Mr. Drew Nelson, Resolution 2022-19 was reconsidered, and the Chair was authorized to sign.

Mr. Ward: I will ask for another motion to approve Resolution 2022-19 as described in the record but increase the not to exceed amount to \$27 million dollars.

On MOTION made by Mr. David Truxton, seconded by Mr. Drew Nelson, Resolution 2022-19 was approved as amended, and the Chair was authorized to sign.

Mr. Russell Smith: Incidentally, the underwriting that we did assumed assessments at \$900 for villas, \$1,200 for (indecipherable).

Mr. Truxton: The par debt for that was 81, assuming a 4% interest rate, and we since then have decided to basically do a straight line of \$1,200 per unit per year, so I think that's old underwriting basically and since then pricing has gone up.

Mr. Russell Smith: The unit pricing may go up, but it's a question of what the people who live there can afford to pay. And you can't do a straight line.

Mr. Truxton: We have in other Districts, but it doesn't have to be straight line. We talked about doing a \$1,600 dollar annual assessment. I think the underwriting has changed based upon (indecipherable).

SIXTH ORDER OF BUSINESS

Staff Reports

Staff Reports

I. District Attorney

No report.

II. District Engineer

No report.

III. District Manager

I. Board Meeting Dates for Balance of Fiscal Year 2022

i. Landowner’s and Regular Meeting – August 9, 2022, 9:30 A.M.

ii. Public Hearings:

- 1. Uniform Method of Collection - September 13, 2022, 9:30 A.M.
- 2. FY 2022 & FY2023 Budget – September 13, 2022, 9:30 A.M.
- 3. Declaring Special Assessments – September 13, 2022, 9:30 A.M.

Mr. Ward: Remember we have a landowner’s meeting in August and then we have three more public hearings; two in September and we will probably end up with a public hearing in October on the assessment process which will restart next month.

SEVENTH ORDER OF BUSINESS

Supervisor’s Requests and Audience Comments

Mr. Ward asked if there were any Supervisor’s Requests; there were none. He noted there were no audience members present in person or by audio or video, therefore, there were no audience comments or questions.

EIGHTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at approximately 10:06 a.m.

On MOTION made by Mr. Scott Edwards, seconded by Mr. Drew Nelson, and with all in favor, the meeting was adjourned.

Island Lake Estates Community Development District


James P. Ward, Secretary


Name: SCOTT EDWARDS
Chairperson